How AI is Transforming B2B Procurement

THE CHALLENGE OF B2B PROCUREMENT

Unmanaged tail spend can represent as much as 20% of total procurement spending.

Tail spend is an increasing problem because:

1. Business buyers want a consumer-like experience, so they are going rogue, making non-approved purchases on sites they're comfortable with.
2. Managers lack spend visibility, so they can't track purchases and optimize costs.
3. B2B sellers on traditional channels can't provide a personalized experience to boost sales.

WHAT IS INTELLIGENT COMMERCE?

Artificial intelligence (AI) in the form of machine-learning algorithms is embedded into digital commerce applications. The machine-learning algorithms enable the commerce system to learn over time.

BENEFITS FOR BUSINESSES

AI personalizes and streamlines the buying experience, helping sellers increase revenue and giving business buyers a more efficient and delightful experience.

HOW INTELLIGENT COMMERCE WORKS

AI can boost capabilities across 10 key functions of ecommerce:

- Personalize product and service recommendations based on market trends and customer profile.
- Optimize fulfillment, improving delivery times while minimizing costs.
- Block fraudulent orders before delivery using order origin, payment information, and transaction time.
- Instantaneously suggest search terms based on buyers’ profiles.
- Leverage popular search terms to boost conversions.
- Generate promotions automatically for individual customers, maximizing order value and loyalty.
- Chatbots and natural language processing provide self-serve customer support, order visibility, and returns.
- Businesses receive insights into their performance and actions they can take to improve.
- Arrange products and services to appeal to each individual customer. Personalize cross-sell and up-selling opportunities.
- Adapt store/transaction/marketing based on a customer’s location.
- Optimally adjust pricing based on supply and demand, competitor pricing, weather, purchase location, and customer profile.

A BETTER B2B APPROACH WITH AMAZON BUSINESS

Amazon Business applies machine learning to B2B selling and procurement, and customers are reaping the benefits:

- Multinational food and beverage company Mondelēz reduced lead time from 25 days to 4 days for tail spend items due to better service, easier processes, and easier discovery of better-priced products.
- Office furniture supplier VARIDESK saw 50% growth in sales through Amazon Business from mid-2017 to mid-2018 due in part to increased customer loyalty.

Discover how Amazon Business is helping organizations transform procurement.

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